

**Minutes  
State Board of Education  
Monday, October 27, 2003**

The Arizona State Board of Education held its monthly meeting at the Arizona Department of Education, 1535 W. Jefferson, Phoenix, AZ 85007. The meeting began at approximately 9:03 a.m.

**Members Present**

Ms. Nadine Mathis-Basha, President  
Dr. Matthew Diethelm, Vice President  
Ms. Armida Bittner  
Dr. Michael Crow  
Ms. Joanne Hilde  
Ms. Conkie Hoover  
Superintendent Tom Horne  
Ms. Catherine Kasper  
Dr. John Pedicone

***Board Business***

Pledge of Allegiance, moment of silence and roll call

***Minutes, September meeting***

Move to approve the Minutes and Executive Session Minutes from September 29<sup>th</sup>, 2003—*will approve next month. Minutes are not available.*

***President's Report***

Ms. Basha commented that she had visited the Galveston Elementary School, as it was the only school in the Chandler Unified School District deemed underperforming last year, and was deemed a performing school this year. She discussed the involvement of the community to improve assistance in student scores and stated that this is the effect we hope the accountability system will create – community support of our schools, not punishment.

***Superintendent's Report***

Superintendent Horne did not provide a report.

***Board Member Reports***

Dr. Diethelm recommended a subcommittee on policies and procedures to assist the Board in working effectively, review duties and responsibilities of the executive director, the rulemaking process and Board priorities for the next year.

President Basha stated that she would like to participate and asked Dr. Pedicone to add his expertise from a district perspective. She asked if other members wanted to be included and Ms. Bittner and Ms. Hoover indicated they would. Ms. Farley was directed to set a meeting date.

Ms. Bittner reported on the County meeting.

Dr. Pedicone noted the new ADE website deserves kudos and included some suggestions for links.

***Director's Report, including discussion and possible legal action***

Ms. Farley presented the following:

1. 2004 meeting schedule and materials deadlines
2. TAPBI Program deadlines extended to December 20, 2003 for round two of applications. The Board accepted the new deadline.
3. Proposed discussion of education legislation at the November meeting. The Board supported scheduling this discussion.

***Consent Items:***

The Board moved to convene as the State Board for Vocational and Technological Education. *Dr. Diethelm made the motion to approve the Consent Agenda. Ms. Hilde seconded the motion. With no discussion. Motion carried.* See agenda materials for specific contracts.

The Board moved to adjourn as the Board for Vocational and Technological Education and reconvene as the State Board of Education.

CONSENT ITEMS—*Dr. Pedicone made the motion to approve the Consent Agenda. Dr. Diethelm seconded the motion. With no discussion. Motion carried.* See agenda for listed items.

***Call to the Public – No Action***

No one asked to speak.

***General Session***

- A. *Presentation and discussion regarding activities of the Certification Task Force, including but not limited to discussions regarding reciprocity, tiered certificate levels and performance assessments, and certification renewal requirements.* Ms. Kathy Wiebke, Director of the ADE Highly Qualified Professionals Unit, provided the Board with an overview of discussions from the last Certification Task Force meeting (see handouts) and advised them that subcommittees will now be developed to begin working in December with the goal of presenting the complete package to the Board in June 2004. *No Action Necessary.*
- B. *Presentation and discussion of Early Childhood Education Certification and Endorsements and Consideration to Approve Notice of Proposed Rulemaking for R7-2-612 and R7-2-613.*  
Ms. Karen Woodhouse, Director of the ADE Early Childhood Education Unit, reviewed the process of developing the recommended rules and gathering input, including an online survey that was developed and posted on the ADE website to solicit public comment. Information on accessing the survey was provided to statewide early education boards and practitioners. Ms. Woodhouse reviewed the survey data with the Board, including the following: 77% believed certification should be mandatory; 2% strongly disagreed. Two substantial changes were made

to the proposal from the original draft presented to the Board in August: 1) the certification requirement has been changed from voluntary to mandatory and 2) an implementation timeline of 2009-2010 has been added. The recommended proposal excludes the early childhood special education endorsement at this time to ensure alignment with full special education certification. Ms. Woodhouse provided a brief overview of the rules process that will follow, including a meeting to elicit additional public comment as part of the formal process, and then these rules will be effective upon final approval of the Board and the Attorney General. Board member Kaspar stated that she likes this proposal, but is concerned with the impact it might have on existing elementary education certificate holders. She asked if this will change the requirements for teachers in grades 1-8? Ms. Woodhouse responded that it would not and that there has been discussion of grandfathering existing certificate holders. Board member Pedicone asked if staff can verify that the universities will offer the required coursework or that it is now incorporated into classes being offered? Ms. Woodhouse responded that it is occurring and can be evidenced through a transcript evaluation. President Basha stated that the readiness gaps are being worked on on many fronts and it behooves the State to be ahead in this area.

*Dr. Diethelm made the motion to approve the Notice of Proposed Rulemaking for R7-2-612 and 613 as presented. Ms. Hilde seconded the motion. With no discussion. Motion carried.*

- C. *Consideration to determine non-compliance with The Uniform System of Financial Records (USFR) Pursuant to A.R.S. §15-272 and consideration to withhold state funds from Kin Dah Lichi'I Olta' Charter School.*

Ms. Dena Epstein, Assistant Attorney General, presented an overview of KDLO's noncompliance with submitting the annual audits and USFRCS questionnaires as required by statute. President Basha asked if anyone from the school was present and no one responded. Dr. Crow asked if the school was notified of the hearing, staff responded that the correspondence from the school's legal counsel referenced today's Board meeting, so clearly they were aware of it.

*Ms. Hilde made the motion to determine that Kin Dah Lichi'I Olta' Charter School (KDLO) is out of compliance with USFRCS and state law because of its failure to timely submit the annual audits and USFRCS Compliance questionnaires required for years ending June 30, 2001 and June 30, 2002;*

*AND*

*moved to direct the Superintendent of Public Instruction to withhold ten percent (10%) of state funds from KDLO until the Auditor General reports that KDLO is in compliance with the USFRCS. Dr. Pedicone seconded the motion. Motion carried.*

- D. *Consideration to determine non-compliance with The Uniform System of Financial Records (USFR) Pursuant to A.R.S. §15-272, consideration to withhold state funds from Humboldt Unified School District and possible consideration of a proposed settlement agreement.*

Ms. Dena Epstein, Assistant Attorney General, presented an overview of Humboldt's Auditor General Report showing noncompliance with the USFR and stated that the district approached staff stating that they would admit to

noncompliance but they were in the process of coming into compliance and would stipulate to additional reporting and timelines in exchange for a lesser withholding. Ms. Epstein reviewed the provisions of the proposed Settlement Agreement. Mr. Kirk Waddell, Business Manager for Humboldt Unified School District, spoke to the Board about the district's history and the issues that caused them to fall into noncompliance with the USFR as well as the actions taken by the district governing board to put new personnel in place and approve an action plan to come into compliance. Board member Hilde stated that she was personally familiar with this district and believes that they have taken great strides to address the problems that have occurred in the past. They have taken responsibility for the poor actions and made leadership changes to turn the school around. Ms. Hilde added that there should be some consequence for administrators who put schools into this type of trouble.

*The Board determined that the Humboldt Unified School District was in non-compliance with the Uniform System of Financial Records (USFR) and Ms. Hilde made the motion to approve the Proposed Settlement Agreement as presented for Humboldt Unified School District. Seconded by Ms. Bittner. With no discussion. Motion carried.*

- E. *The Board will receive information regarding C.I. Wilson Academy Charter School, including information from the site visit by the Board Subcommittee, which included Dr. Crow, Dr. Diethelm and Ms. Hilde, to determine whether evidence exists that C.I. Wilson Academy is in breach of its Charter contract or is not in compliance with state and/or federal laws. Discussion and possible consideration of action the Board deems appropriate regarding C.I. Wilson Academy Charter School, including, but not limited to a proposed settlement agreement or issuing a notice of intent to revoke. Pursuant to A.R.S. §38-431.03 (A) (3) and (4), the Board may vote to go into Executive Session for consultation and legal advice and/or for instructing the Board's attorneys regarding the Board's position in connection with this issue.*

Dr. Crow provided an overview of the subcommittee's site visit to the charter school and identified the additional community and expert representatives that he asked to join the visit. He stated that the group determined that there was incongruence between the high student achievement and the poor administration of the school. Dr. Crow identified that the Board has four options in taking action on this school and that he recommends directing staff to draft a settlement agreement with the provisions outlined. Dr. Crow identified the following points to be included in the settlement agreement:

**Conditions outlined for consideration of the continuation of the charter for CI Wilson Academy**

1. C.I. Wilson Academy must move to consolidate its chartering efforts under one charter.
2. C.I. Wilson Academy must submit to the State Board of Education monthly financial reports through June 30, 2004 detailing all revenues and expenditures. Monthly financial reports will be due on the 15<sup>th</sup> of each following month (e.g. the financial reports for November must be submitted to the State Board of Education by December 15).

3. C.I. Wilson Academy must submit to the Board of Education subcommittee by November 15, 2003:
  - A current organizational chart (listing all personnel by name and job title) for the school administrative structure;
  - A list of teachers by grade level, class size and classroom deployment.
4. Mr. Wilson must remove himself as a member of the governing board, if he chooses to remain as CEO by January 1, 2003.
5. C.I. Wilson Academy must verify that the requisite number of people, identified in CI Wilson Academy's charter contract, are sitting members of the board by January 1, 2003. The Board of Education subcommittee suggests that the CI Wilson governing board change its current board membership to include a majority of parents and independent monitors as sitting members.
6. C.I. Wilson Academy must submit a school assessment plan that is consistent with the ADE School Improvement Plan.
7. C.I. Wilson Academy must undergo an Agreed Upon Procedures Review by an independent certified public accountant for fiscal year 2004 records that address all of the 02 findings and 03 (if applicable). The cost of the this review shall be covered by the School. The audit firm must be approved by the ASBCS based on the practices it currently uses to approve audit engagements pursuant to A.R.S.15-914 and ASBCS (Charter Board) staff shall draft the specific agreed upon procedures to be tested. Results of the review must indicate an acceptable critical error rate for each audit area. The acceptable error rates shall be specific by ASBCS staff, based on the rates in the Guide to Audits of Non Profit Organizations.

Board member Pedicone stated that his concern with this issue is when to draw the line. Dr. Crow responded that this would be an easy decision, but for the high student achievement and that is why he is recommending a plan of action rather than revocation. Dr. Pedicone asked if the testing results of this school are in question. Dr. Crow responded that they are not, and that the data shows it is a high performing school and that proctors from ADE would be recommended to assure that the scores don't come into question. Dr. Pedicone stated that this school has had the opportunity to implement the provisions outlined by Dr. Crow on their own, as demonstrated by the Humboldt School District. Dr. Crow responded that this school is complicated by a number of hurdles, including multiple charters on a single site and the community it serves.

*Dr. Crow made the motion that staff and counsel finalize a settlement agreement to be presented to the Board at the November Board meeting with the conditions outlined previously. Seconded by Dr. Diethelm. Motion carried.*

*F. Presentation, discussion and consideration to approve AZ READS Grant Awards.*

Ms. Farley reviewed the AZ READS grant process and the results from the evaluation panel who reviewed the applications that were received.

*Dr. Diethelm made a motion to approve the Arizona READS grant award for fiscal year 2003-2004 to be awarded to provide scientifically based reading research to teachers in grades K-3 to the following applicants: Voyager,*

*Scholastic and Co-nect/WestEd pending their notification of ability to provide the presented program at the unit price presented. The allocation shall be made in an equal distribution among the three recipients and implementation shall be consistent with all terms and conditions in the RFGA to which they responded and the contract, including a sign-up period for participants, which upon expiration, will redistribute unused funds by any single recipient to the other awardees upon demonstration of a waiting list. Seconded by Dr. Pedicone. With no discussion. Motion carried.*

*G. Consideration to open a docket for rules regarding Alternative Project Delivery Methods for Procuring School Construction Pursuant to A.R.S. §15-213(J).*

Ms. Farley reviewed the Board's statutory obligation to approve rules in this area and informed the Board that opening a docket was the first step in the rulemaking process. Ms. Farley added that actual draft language will be provided at the next Board meeting as the rulemaking process proceeds.

*Dr. Diethelm made the motion to approve. Seconded by Ms. Hilde. With no discussion. Motion carried.*

*H. Presentation, discussion and consideration to approve the AZ LEARNS Appeals Criteria, Pursuant to A.R.S. §15-241(M).*

Dr. Laczko-Kerr, Director of ADE Research and Accountability, reviewed the draft substantive appeals rubric for AZ LEARNS profiles. She explained the process will be to have an appeal reviewed by a committee based on the rubric. Board member Diethelm expressed concern with the phrase "special circumstances" and stated that he would like this to be more descriptive. He stated that the example given of teacher attrition is a management issue and should not be grounds for an appeal. Superintendent Horne stated that the draft before the Board today is tighter than earlier drafts that he reviewed and that according to the rubric, the "special circumstances" must be a substantial cause of the overall school performance in order for an appeal to be considered. Board member Diethelm stated that he would like to add "outside the control of the school management" after "special circumstances". Superintendent Horne agreed to the change. Board member Pedicone suggested that providing examples to districts would be helpful. Dr. Laczko-Kerr stated that examples were provided to some extent for the AYP appeals and several districts cut and pasted the examples onto their appeals request, so it did not work out very well, because additional evidence is required. Superintendent Horne asked Dr. Laczko-Kerr to make the recommendations from Dr. Diethelm on the document and then the Board could act on the revised draft.

*Mr. Horne made the motion to approve the AZ LEARNS appeals criteria as modified and presented to the Board at the end of the meeting. Seconded by Ms. Hilde. Motion carried.*

*J. Presentation and discussion regarding State-Mandated Testing and Proposed Policy and Request For Proposal (RFP).*

Dr. Ron Cariveau, ADE Director of Assessment, provided a brief overview to Board members regarding the proposal to combine the criterion-referenced test (AIMS) and the norm-referenced test (currently Stanford 9) into a single test. Superintendent Horne stated that this will provide the same level of data, will

provide more alignment to the standards with the norm-referenced test questions utilized and will reduce test taking time allowing teachers and students to spend more time on learning. Board member Pedicone asked about the reliability and validity of this embedding? He asked if it is possible to get the same norm-referenced test information with fewer questions? Staff responded that it will provide comparable data. Board member Basha asked if this has been implemented in other states. Staff responded that four other states are in various stages of implementing a similar policy. Dr. Diethelm stated that we have been working toward a process that recognizes continued improvement and progress. He added that it is equally important for us to be able to compare ourselves nationally in a reliable way. Dr. Cariveau responded that the score on the NRT items will be reflective of what a student would receive had they taken the entire test. Dr. Diethelm emphasized that he doesn't want the evaluation of our standards to disappear. Board member Hilde stated that she believes this is where we need to go, however, we have a history in this state of moving too quickly on good policies which results in a public backlash during the implementation phase. Ms. Hilde added that we need to predict the upcoming issues and address the pitfalls ahead of time.

*Discussion only, no action taken.*

***Move to adjourn***